Navigating redundancy

A redundancy, whether voluntary or involuntary, can significantly impact your super and insurance cover. Understanding your options is essential to making the right decision for your needs.

Eligibility

You will be eligible to receive a Redundancy Benefit if you are a PSS member and:

- your employer makes you redundant
- you accept an offer of a redundancy package from your employer
- you are dismissed on grounds of inefficiency
- you elected to cease PSS membership, and remained in Australian Government employment, but are later made redundant by your employer before reaching your minimum retirement age.
- you have not met your maximum retiring age (normally 65).

If you have met your maximum retirement age, generally 65, you are not eligible to claim a redundancy benefit.

Please speak with your employer to confirm your maximum retirement age as this will differ between employers.

If you finish work with your current employer and start shortly after with another employer covered by PSS, you may not be eligible.

You will not be eligible for redundancy benefits if you work for an Australian Government agency that has its functions transferred through a Machinery of Government change, and you remain employed by the new entity. For more information contact your HR or call us **1300 000 377**.

What to expect

Before offer

Your employer may contact you with an expression of interest, but redundancy can also be involuntary. To estimate your PSS benefits before receiving a formal offer from your employer, log into CSC Navigator and use iEstimator.

Formal offer

After you authorise your employer to contact us, they will contact us for a benefit estimate, which typically returns **within five business days**.

Take some time to read your estimate and review the Redundancy Benefit Application (SSR1) and Redundancy Factsheet. Now might be a good time to seek financial advice to discuss your options.

You can book an appointment to see one of our Financial Planners* on **1300 277 777**.

* Our authorised financial planners are authorised to provide advice by Guideway Financial Services (ABN 46 156 498 538, AFSL 420367.). Guideway is a licensed financial services business providing CSC financial planners with support to provide members with specialist advice, education and strategies.

Once you decide on your super options, you can download and complete the Redundancy Benefit Application (SSR1) and submit to your employer within 90 days of ceasing work.

Your employer will send us your completed application and departmental report to us for processing.

CSC — PSS Public Sector Superannuation Scheme

Any financial product advice in this document is general advice only and has been prepared without taking account of your personal objectives, financial situation or needs. Before acting on any such general advice, you should consider the appropriateness of the advice, having regard to your own objectives, financial situation and needs. You may wish to consult a licensed financial adviser. You should obtain a copy of the PSSap Product Disclosure Statement and consider its contents before making any decision regarding your super.

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Benefit paid

Your application generally takes **3-4 weeks to process** from your redundancy date, or the date we receive your completed form. We will inform you of your entitlements and the expected payment date.

If you've elected to receive a pension, your pension entitlement starts the day after you exit and may include a back payment.

Your redundancy options

Depending on your circumstances and the age, you may be able to choose one of the following options:

1. Preserve your total benefit

You can preserve your benefit in PSS for later payment, usually upon retirement from the workforce after reaching age 55.

While preserved, your employer component accrues in line with the Consumer Price Index (CPI), and your member and productivity components accrue at the fund's earning rate. As a Preserved Benefit member, you may choose the Cash Investment Option for your taxed accumulation components (member and productivity). If you do not make a choice, we will continue to invest these components in the Default Fund.

ⓘ For more information about the Cash Investment Option, please see the PSS Product Disclosure Statement from our website Defined Benefit Members | Commonwealth Superannuation Corporation (CSC)

When you are eligible to claim your BENE, any lump sum will be paid in line with SIS regulations. For certain types of Preserved Benefit, you will need to supply certified copies of documents that establish your identity. Details of the number and types of documents required are on the relevant application forms.

2. Take part of your benefit as a lump sum and preserve the balance

This option is not available if you joined PSS after 1 July 1999 and:

- you are under the age of 55; or
- you are between 55 and 60 and have not permanently left the workforce.

For more information, please refer to SIS upper limit section below.

You can elect to take part of your benefit as a lump sum and preserve the balance in PSS. However, if you have not reached your minimum retiring age (generally 55) at the time of your retrenchment—the lump sum that you can take is limited to the lesser of:

- your member contributions and fund earnings; or
- your member contributions and fund earnings up to your SIS upper limit.

If you are aged between 55 and 60 and have not left the workforce, your lump sum is limited to a refund of your member component up to your **SIS upper limit**.

Your employer component increases each year in line with the CPI.

When you are eligible to claim your Preserved Benefit, any lump sum will be paid in line with SIS regulations. **If you take any part of your benefit and preserve the balance in PSS, you will not have the option of taking a PSS pension when you claim your Preserved Benefit.**

3. Take a lump sum only

You can elect to take your entire benefit out of PSS as a lump sum benefit.

If you are between age 55 and 60 and have not left the workforce, the cash lump sum immediately payable is limited to a refund of your member component up to your SIS upper limit. You must rollover the compulsory preserved component of your lump sum to a rollover institution. You can also rollover your entire lump sum to a rollover institution if you wish.

4. Take a pension only

You can convert your entire PSS benefit to a CPI-indexed pension, which is payable for life. Reversionary benefits may be payable to eligible spouses and children in the event of your death, see Death and Invalidity Benefits.

5. Pension only, with a transfer value amount paid after 31 December 1995

You can elect to receive your benefit as a pension, except for any transfer value amount paid after 31 December 1995.

The transfer value amounts paid to PSS after 31 December 1995 are not included in the calculation of your final benefit accrual and cannot be converted into pension.

If you are under preservation age you need to choose if this transfer amount remains preserved in the PSS scheme, or to have it transferred to another complying superannuation scheme, rollover fund or deferred annuity scheme.

Please note, even though you will have a transfer amount preserved within PSS you are ineligible to re-join the scheme. The preserved balance amounts relate solely to your ATO co-contributions or amounts that you have previously elected to transfer to PSS from other superannuation funds which were unrelated to your PSS Defined Benefit accruals.

Reversionary benefits may be payable to eligible spouses and children in the event of your death, see Death and Invalidity Benefits.

6. Take part of your benefit as a pension and part as a lump sum

You can take your benefit as a combination of CPI-indexed pension and lump sum. However, if you have not reached your minimum retiring age (generally age 55) at the time of your retrenchment, the lump sum you can take at retrenchment is limited to the lesser of:

- your member contributions and fund earnings; or
- your SIS upper limit.

If you have reached your minimum retiring age your lump sum is limited to 50% of your total benefit.

If you are between age 55 and 60 and have not left the workforce, the cash lump sum immediately payable is limited to a refund of your member component up to your SIS upper limit.

You must rollover any compulsory preserved component of your lump sum to a rollover institution.

Reversionary benefits may be payable to eligible spouses and children in the event of your death, see Death and Invalidity Benefits.

7. You can arrange to have a transfer value paid to another eligible scheme (this is not a rollover)

If you start work with an employer that participates in an eligible superannuation scheme and you become a member of that scheme, you may pay a transfer value of your total benefit to that other scheme, in exchange for that scheme's benefits. This is providing you have not taken a refund of your member component.

Eligible superannuation schemes include the following:

- AV Super (previously known as the CAA Staff Superannuation Fund)
- Defence Force Retirement and Death Benefits Scheme
- Northern Territory Government and Public Authorities Superannuation Scheme
- Parliamentary Contributory Superannuation Scheme
- QSuper
- Queensland Electricity Supply Industry Superannuation Scheme
- Queensland Local Government Employees Superannuation Scheme
- Queensland Parliamentary Contributory Superannuation Scheme
- UniSuper—Accumulation Plan 2.

You can combine your final benefit accrual with another concurrent membership. If, at the time of retirement, you are also a PSS member in respect of another (concurrent) period of employment, you can elect to combine your benefit accrual with the other PSS membership. This is only possible if the combination does not exceed your maximum benefit limit (MBL).

For more information on MBLs refer to the maximum benefit limits (MBL) and the Multiple PSS memberships factsheets available Defined Benefit Members|Commonwealth Superannuation Corporation (CSC).

The right option for you

Ceasing employment is a significant event that can shape your financial future. It's crucial to make informed decisions. We commend consulting a licenced Financial Planner.

Our authorised Financial Planners^ can work with you to tailor a financial plan that supports your retirement goals. Advice is fee-for-service, which means you'll get a fixed quote up front. There are no obligations, commissions or hidden fees. For more information visit Financial planning.

For information about your PSS or redunancy options, call **1300 000 377** or email members.aps@contact.csc.gov.au

^ Our authorised Financial Planners are authorised to provide advice by Guideway Financial Services (ABN 46 156 498 538, AFSL 420367). Guideway is a licensed financial services business providing CSC Financial Planners with support to provide customers with specialist advice, education and strategies.

How can I get more information?

Call **1300 000 377**

Email members@pss.gov.au

Mail
PSS GPO Box 2252, Canberra ACT 2601

Web csc.gov.au

For more information visit csc.gov.au

Any financial product advice in this document is general advice only and has been prepared without taking account of your personal objectives, financial situation or needs. Before acting on any such general advice, you should consider the appropriateness of the advice, having regard to your own objectives, financial situation and needs. You may wish to consult a licensed financial adviser. You should obtain a copy of the PSSap Product Disclosure Statement and consider its contents before making any decision regarding your super.

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